



SCOTT DORSEY
BUSINESS LEADER OF THE YEAR

By Matt L. Ottinger

Speaking with those who've risen with the tide of Indianapolis-based e-mail/digital marketing juggernaut ExactTarget, a unique picture is painted of CEO Scott Dorsey's leadership style.

"One of the things I've always found so impressive is that he's an atypical CEO," asserts director of product management Joanna Milliken, who holds the distinction of being the company's first official hire in 2001. "When you think of these hotshot CEOs who are very verbose or demanding, (he's different because) he's unassuming and has an amazing balance.

"He's an incredible risk taker, but he's not rash. He's compassionate, but he's not emotional. He can be both very strategic and knows when to jump in and when to be tactical. That's a combination you don't often find."

In the beginning

ExactTarget began with brothers in arms – well, brothers-in-law, at least – launching a plan to change the way companies market. Dorsey and his wife's brother-in-law, Chris Baggott, would meet at family gatherings and discuss their business experiences.

"Our wives' family is mostly medically oriented," Baggott relays. "Their dad is a doctor and it's funny because we'd meet at Thanksgiving – and both (Dorsey) and I did not live in Indiana – and we'd go to these family events and everyone would be talking medicine. Scott and I would go off in a corner some place and talk over business plans. We had a good synergy right away."

Baggott was an entrepreneur at heart and began to explore the possibilities of database-driven marketing while owning a chain of dry cleaners. Dorsey, who spent most of his formative years in Naperville, Illinois, had graduated from Indiana University before working in various sales positions in the western part of the country for Divine, Inc., Metro and Steelcase, Inc. He then earned a graduate degree from Northwestern University's Kellogg School of Management before he and Baggott joined with partner Peter McCormick to launch ExactTarget in 2000.

"A lot of partnerships start with guys going into business with their best friend," Baggott asserts. "What you find is you have two people who love to do one thing, and nobody wants to do the other thing. (With Dorsey and me), in many aspects of our personalities and strengths, we're opposite. So we never really interfered with each other. It was always clear he was going to be the CEO; it's just a more natural fit for him."

Dorsey remembers the company's humble beginnings, striving to emerge at a precarious time for Internet businesses.

"The Internet bubble had burst; money was not flowing into Internet companies," he conveys. "We were three entrepreneurs with no software experience. The capital-raising process was really difficult. We went down the friends and family route. It was great, but a little unconventional."

He adds that building software products with no technical background was a challenge, and the trio was fortunate to find strong developers to help with the early generations of the product.

"We really bootstrapped the company; it was thinly capitalized," Dorsey offers. "Three of us worked without salaries for nearly the first year we were in business. We were incredibly frugal and watched every dollar very carefully. We didn't have much to work with. That was a good thing though, because we had to be very sales driven, and built a small product – small enough that we could start to sell it and deliver value in many ways."

ExactTarget's earliest investor was empowered by a gut feeling he had about the company, primarily due to its leadership.

"(Dorsey) is well-educated, but what I particularly liked about him was that he'd done a start-up before, and it failed," says Bob Compton, who made an initial investment and increased that based

At ExactTarget, Orange is not just a color – it's also a state of being. Scott Dorsey, shown with executive coordinator Shon Keesling, takes pride in the active, vibrant and fun atmosphere within the company and through community outreach activities such as Habitat for Humanity.





The company now includes approximately 1,300 employees, nearly 1,000 of which are based in Indianapolis. Dorsey explains that, in all locations, ExactTarget inhabits urban areas with a great deal of energy.

and more (Dorsey's) commitment to never quit and never give up and inspire the team. It was every day, getting up and moving the company forward, day after day. There are lots of bleak days in the early going of a new venture. (Dorsey) was always upbeat and always inspiring. That inspiration drew out the very best in the people around him. There were lots of times when things were scary, and it wasn't clear we'd make it. He never lost faith."

Dorsey affirms that overcoming challenges remains a part of the experience – though it's an evolving set of obstacles.

"That's why I love it. There's a new set of challenges and opportunities in every stage of growth," he declares. "Today, we have over 1,300 employees all over the world (in five countries, including just under 1,000 staffers in Indiana).

"How do you build and manage a global business?" he ponders. "That's a big challenge, especially when you move into markets that are non-English speaking, like we have in Sao Paulo, Brazil. Managing life as a public company is very different too (following the company's launch of an initial public offering in March) but exciting. The expectations and pressures of Wall Street are very different – and very time consuming – to communicate and build relationships with all those key constituents."

on the strength of feedback he'd received from ExactTarget's clients. "I was impressed with how much he had learned from that experience and how he was going to lead it based on that hard lesson.

"Also, he was older than the typical entrepreneur," Compton qualifies. "He was in his thirties; he was mature, articulate and presented himself very well."

Milliken remembers when she started with the company. As a young, eager professional, she was entertaining another offer before being motivated to join the fledgling start-up.

"I had been working for a different start-up here in town," she recalls. "It didn't last very long; it was that era. So I decided to completely switch gears, and was close to taking a director position with a not-for-profit. A former colleague had met with (Dorsey and Baggott), and suggested I meet with them. I had coffee with (Dorsey) and was thinking, 'Where are your offices? Why aren't we meeting there?' Of course, there wasn't one. But I did immediately feel a connection with (Dorsey) – and the application."

Milliken helped the company launch its sales operation out of its small office – based in Greenfield at the time – and began getting the software incorporated into the marketing strategies of many businesses.

Not always an 'exact' science

Though the company's ascent has been remarkable, it has not been without tribulation.

"The early years were hard," Compton recalls. "Building a new company with a new technology and new approach is hard. (The realization of success) was less a particular moment

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The Hoosier way

When asked why he started such a company in Indianapolis, Dorsey explains "the main driver was (Baggott) being here in Indy, and my wife's desire to get back to Indianapolis. She'd been so supportive of my career, and she wanted to be close to her parents and sisters."

He admits to being surprised by how formidable a



Dorsey gives back often as a speaker on a variety of issues. Here, he takes part in a Society of Human Resource Management panel discussion.

home the Circle City has proven to be. While he graduated from Indiana University, he'd never spent much time in the state capital.

"What I didn't expect was that Indy would be such a welcoming environment and terrific place to build our business," Dorsey proclaims. "The support we received from the tech community was extraordinary. As we've grown, Indianapolis has become a big competitive advantage for us: the low cost of operation, amazing support from the city and state, great universities we're able to recruit from and a very loyal employee base with good values and a great work ethic."

Dorsey also hopes to parlay his company's success into playing a beneficial role in the communities ExactTarget calls home.

"We also care about our community and philanthropy," he says. "We have a grassroots organization called ExactImpact (focused on assisting area charities). And last year we launched our ExactTarget Foundation. I'm unbelievably excited about it."

The foundation is funded by early financiers of ExactTarget who did well on their investment and is built on three pillars: hunger, education and entrepreneurship. He credits the inspiration to other Indiana companies that have proven to be archetypes of community outreach, including Simon Property Group and Eli Lilly and Company.

Furthermore, the outgoing and reliable nature of its employees and its efforts are now part of the company's "Orange" culture.

"We knew in 2009 we were going to hit the accelerator on hiring and wanted to give our



Company team members enjoy a "Super" experience while ExactTarget's social media management application, SocialEngage, helped Twitter measure Super Bowl-related tweets in an effort to gauge social media impact.



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ExactTarget launched its initial public offering in March 2012, with Dorsey and company ringing the opening bell and enjoying the flurry of activity at the New York Stock Exchange.

culture an identity,” Dorsey explains. “We called it ‘Orange’ to give it a name, and because that’s our predominant brand color. Giving the culture a name would help bottle it up effectively. It’s worked unbelievably well. You roll something like that out and hope it’s embraced, and it really has been in many ways. It’s become our identity and the soul of the company. If somebody does something really amazing for our clients or the company, we now say, ‘Way to be orange!’ ”

Humility and grace

Compton contends Dorsey’s greatest strength is his humility.

“He’s not driven by ego,” he emphasizes. “He’s driven by wanting to assemble a terrific team and help everyone on the team be successful. That’s very unique. I’ve worked with many entrepreneurs over the years.”

Baggott agrees, while clarifying that Dorsey’s restraint hardly stems from a lack of desire.

“Having a low ego is really important,” he states. “It’s a funny thing because Scott is unbelievably competitive. I’ve seen him play Pop-a-Shot for four straight hours to try and beat somebody. But at the same time, he has a great sense of his strengths and weaknesses. He’s been very good about surrounding himself with smart people.”

“He doesn’t have to be the smartest person in every single aspect of the business. It’s much better for the business to find smart people. That’s also inspirational and credible to investors, which shouldn’t be underestimated.”

Dorsey insists that his leadership style is merely a construct of who he is.

“You need a leadership style that matches who you are as a person,” he notes. “For

me, that means being very collaborative and getting thoughts and opinions from as many people as possible. I also like to try to build consensus, to get feedback and ideas from team members and reach a decision together. That gets people moving in the same direction, and people want to feel a sense of ownership. Building consensus along the way reduces friction and helps move things along a lot faster. I try to have a culture of openness, accessibility and humility.”

Scott McCorkle, recently named president of technology and strategy, has been with the company since 2005 (though he helped its founders meet investors in the early stages). He contends Dorsey’s uniqueness is the launching point of ExactTarget’s success.

It’s All About the People

ExactTarget consistently ranks near the top in the annual Best Places to Work in Indiana program. Dorsey credits his past experiences for inspiring him to focus so strongly on his employees.

“My experience with Steelcase and Metro taught me that the environment you create for your employees is unbelievably important – and it’s the physical representation of your culture,” he shares. “If you want to be a progressive and forward-thinking company, you need to have buildings and spaces for people to work in that really embody that.”

He relays that the company’s real estate strategy is to go into urban settings with a lot of energy and vitality, and create spaces that help attract vibrant people and inspire them to do great work.

“The power of bringing young employees into your company and giving them experience through a rotational program is also important,” he notes. “So many new college graduates don’t know what they want to do, but they need to jump in and start doing work and figure that out. Sometimes they can figure it out by having assignments of what they don’t want to do. My rotational experience at Steelcase was so valuable. I learned more about the company than some more senior people because I got to see it from every perspective.”

ExactTarget’s Catapult program caters to new college graduates and the company also has an intern-focused program called Slingshot. The latter has earned two consecutive IMPACT awards for outstanding for-profit employer from Indiana INTERNnet.



The ExactTarget leadership in the beginning: Chris Baggott (left), Peter McCormick and Dorsey.

helping out. But (Dorsey) sent this note to the company that was such a testament of his leadership. It was so sincere.

“Looking at it then, and looking at it now, when he sends these e-mails every Friday to a company of over 1,000 people – and (the e-mails) don’t sound any different than they did then,” she observes. “His leadership hasn’t changed. Now, he’s grown and the company’s grown, but he’s stayed approachable and real.”

“He is an excellent CEO,” McCorkle remarks. “He has a powerful combination of insight and an intrinsic sense for the market – customer needs, pricing, competitive response ... and he has a genuine care for his employees that transcends anything I’ve seen before. He hates it when he’s referred to as someone’s boss. He corrects them and says he’s a partner in making it happen.”

Dorsey comments that while proud, both he and the company still have a healthy journey ahead.

“We’re often complimented as a company that we’re confident, driven, but also humble,” he decrees. “That’s important because there are hundreds of ways we can get better as leaders, as a company and by serving our clients.”

Milliken concludes by recalling how Dorsey addressed the team members following the tragic events of September 11, 2001 – as she had just started with the company the month before.

“I was in the office with (Dorsey) that morning – and (Baggott) may have even been in New York,” she remembers. “It was a rather stressful day, and there were just six of us by then – and some weren’t actual employees, but just friends



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